

### EXAMPLE OF NEW CALCULATION

**Employee A is under the Social Security Wage Base (SSWB) and has a \$50.00 FEHB premium under the pretax benefit of Premium Conversion. Deductions for Old Age Survivor's Disability Insurance (OASDI) will continue.**

Regular Salary	1000.00
Pretax FEHB Premium	50.00
OASDI Subject Wages	950.00
CSRS @ full rate	3.50
CSRS @ reduced rate	7.60
OASDI Withholdings	58.90

- OASDI Subject Wages - Subtract the pretax FEHB premium from regular salary:  $\$1000.00 - 50.00 = \$950.00$ .
- CSRS @ full rate (7%, in most cases) - Multiply the pretax FEHB premium by this rate:  $\$50.00 \times 7\% = \$3.50$ .
- CSRS @ reduced rate (0.8%, in most cases) - Multiply the OASDI Subject Wages by this rate:  $\$950.00 \times 0.008 = \$7.60$ .
- Total CSRS Offset Deduction: Add the two retirement deductions together:  $\$3.50 + 7.60 = \$11.10$ .
- OASDI Withholdings - Subtract the pretax FEHB premium from regular salary wages and multiply by current OASDI rate (6.2%):  $\$1000.00 - 50.00 = \$950.00$ ;  $\$950.00 \times 0.062 = \$58.90$ .

**Employee B is over the SSWB and has a \$50.00 FEHB premium under the pretax benefit of Premium Conversion. Deductions for Old Age Survivor's Disability Insurance (OASDI) will stop.**

Regular Salary	1000.00
Pretax FEHB Premium	50.00
OASDI Subject Wages	00.00
CSRS @ 7%	70.00
OASDI Withholdings	0.00

- OASDI Subject Wages - Since the OASDI cap has been reached, all regular salary wages will be calculated at the full rate.
- CSRS @ full rate (7%, in most cases) - Multiply the regular salary wages by this rate:  $\$1000.00 \times 7\% = \$70.00$
- CSRS @ reduced rate (0.08%, in most cases) - No calculation will be made, since the Social Security Wage Base has been reached.
- OASDI Withholdings - No calculation will be made, since the Social Security Wage Base has been reached.